



**The Comptroller General
of the United States**

Washington, D.C. 20548

Decision

Matter of: Proper Appropriation to Charge for Expenses
Relating to Nonseverable Training Course

File: B-233243

Date: August 3, 1989

DIGEST

The entire amount of the cost of a training course for employees of the Department of Agriculture, Food and Nutrition Service, is properly chargeable to fiscal year 1987 appropriations, the appropriations available when the need for the course was determined, the obligation was entered into, and performance was begun.

DECISION

A Department of Agriculture, Food and Nutrition Service (FNS), certifying officer requests our opinion regarding "the proper appropriation to charge for expenses relating to a training course for which a bona fide need was identified, which was developed and employees enrolled in one fiscal year and paid for in the same fiscal year, but was attended during the first quarter of the next fiscal year." For the reasons given below, we conclude that the full cost of the course should be charged to appropriations for the first fiscal year.

BACKGROUND

At the beginning of fiscal year 1987, FNS officials determined that midlevel management training was needed for that year. However, because of budget uncertainties, the agency officials could not determine whether sufficient funds were available for the training until late in the fiscal year. Once it became clear that there would be sufficient funds, FNS officials met with the training vendor to decide on needed course modifications, establish dates, and set costs. The course was announced throughout FNS early in August, and selection of students was completed in September. Toward the end of September, the vendor evaluated the personalities and management styles of the selected students and provided them with the course

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materials and reading assignments. Classroom instruction took place in mid-November 1987.

ANALYSIS

It is well settled that without express statutory authority, no agency may obligate an appropriation made for the needs of a limited period of time, such as a fiscal year, for the needs of subsequent years. 64 Comp. Gen. 359, 362 (1985). This is a paraphrase of the bona fide need rule, which makes appropriations available only to fill a bona fide need which exists at the time the contract is executed. See 31 U.S.C. § 1502(a).

Consistent with this rule, we have held that delivery of goods or performance of services in a fiscal year subsequent to the year in which a contract is executed does not preclude charging of earlier fiscal year appropriations with the full cost of the goods or services. 65 Comp. Gen. 741, 743; 60 Comp. Gen. 219, 220 (1981). The test is whether the goods or services are intended to meet an immediate need of the agency, regardless of when the work is completed. On the other hand, continuing and recurring services, to the extent a need for a specific portion of them arises in a subsequent fiscal year, do not meet the test. The portion of such recurring services needed during the subsequent fiscal year would be considered "severable" and chargeable to appropriations available in the subsequent year pursuant to a contractual commitment made that year. 65 Comp. Gen. at 743; 60 Comp. Gen. at 221.

Applying these principles here, we conclude that the entire training course was a bona fide need of fiscal year 1987. FNS officials decided on the need for the training early in the fiscal year. As soon as it was clear that there would be sufficient funds to pay for the training, FNS officials entered a training agreement with the vendor. Under the agreement, the vendor was to modify existing course materials and provide them to the students, evaluate the students, secure a location and time for the formal classroom training, and conduct the formal training.

In our view the services provided by the vendor under this agreement with FNS constitute a single, nonseverable undertaking, the full performance of which necessarily extended over several months in two fiscal years. The entire cost of the training should be charged to fiscal year 1987, the year in which the need was determined, the

obligation was incurred and the performance was begun. See
59 Comp. Gen. 386, 387 (1980); 23 Comp. Gen. 370, 371
(1943).

for Milton J. Fowler
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